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Department of
Agriculture

Rural
Development

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Value-Added Producer Grant Program

2005 Grant Application Guide



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Section 1: The Value-Added Producer Grant Program

1.1 Introduction

The primary objective of this grant program is to help eligible independent producers of agricultural commodities, agricultural producer groups, farmer and rancher cooperatives, and majority-controlled producer-based business ventures develop strategies to create marketing opportunities and to help develop business plans for viable marketing opportunities. Eligible agricultural producer groups, farmer and rancher cooperatives, and majority-controlled producer-based business ventures must limit their proposals to emerging markets. These grants will facilitate greater participation in emerging markets and new markets for value-added products.

In this guide, you will find information to help you:

- Assess your eligibility for VAPG program
- Understand how and when to apply
- Create a successful application

1.2 Authorization

The Agriculture Risk Protection Act of 2000, section 231 (Pub. L. 106-224) established the Value-Added Producer Grant Program. Section 6401 of the Farm Security and Rural Investment Act of 2002 (Pub. L. 107-171) amended the program. The Code of Federal Regulations (CFR) sets forth the VAPG regulation at 7 CFR part 4284, subparts A and J. Please read the regulation in conjunction with these guidelines. Should any differences result in the interpretation of these guidelines and 7 CFR part 4284, the regulation will take precedence over information contained in this guide.

The VAPG program is administered by the Rural Business-Cooperative Service (RBS) with assistance from Rural Development (RD) field office staff. RBS annually publishes a Notice of Solicitation of Applications (NOSA) in the *Federal Register* requesting applications for the current funding cycle. The NOSA contains the application requirements as well as other program information. You should use both the program regulation (7 CFR 4284) and the NOSA in conjunction with this Guide when assembling your application.

1.3 Available Funding for FY 2005

For Fiscal Year 2005, approximately \$14.3 million is available for the grant program.

1.4 VAPG Program Contacts

We encourage you to contact the program representative for your state (listed below) early in the application process with any questions or ideas concerning your application. The staff will provide advice on draft applications before the application deadline or answer your questions about the application process and program requirements. Please only contact the national office staff if you are unable to reach the representative from your state.

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1.5 VAPG Resources on the Web

Visit our website at <http://www.rurdev.usda.gov/rbs/coops/vadg.htm>.

Section 2: General Considerations for a VAPG

2.1 Eligible Entities

An entity is eligible to receive a VAPG if it meets one of the following definitions.

- Independent Producers--Agricultural producers, individuals or entities (including for profit and not for profit corporations (excluding Farmer or Rancher Cooperatives), LLCs, partnerships or LLPs), where the entities are solely owned or controlled by Agricultural Producers who own a majority ownership interest in the agricultural product that is produced. An independent producer can also be a steering committee composed of independent producers in the process of organizing an association to operate a Value-Added venture that will be owned and controlled by the independent producers supplying the agricultural product to the market. Independent Producers must produce and own the agricultural product to which value is being added. Producers who produce the agricultural product under contract for another entity but do not own the product produced are not independent producers.
- Farmer or Rancher Cooperative--A farmer or rancher-owned and controlled business from which benefits are derived and distributed equitably on the basis of use by each of the farmer or rancher owners.
- Agriculture Producer Group--An organization that represents Independent Producers, whose mission includes working on behalf of Independent Producers and the majority of whose membership and board of directors is comprised of Independent Producers.

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- Majority-Controlled Producer-Based Business Venture--A venture where more than 50% of the ownership and control is held by Independent Producers, or, partnerships, LLCs, LLPs, corporations or cooperatives that are themselves 100 percent owned and controlled by Independent Producers.

2.2 Eligible Grant Purposes

The following activities are authorized under the VAPG regulation.

- a. Grant funds may be used for planning activities for projects focusing on processing and marketing a value-added product. Examples of acceptable planning activities include:
 - Obtaining legal advice and assistance related to the proposed venture
 - Conducting a feasibility analysis of a proposed value-added venture to help determine the potential marketing success of the venture
 - Developing a business plan that provides comprehensive details on the management, planning, and other operational aspects of a proposed venture
 - Developing a marketing plan for the proposed value-added product, including the identification of a market window, the identification of potential buyers, a description of the distribution system, and possible promotional campaigns
- b. Grant funds may be used for working capital expenses for projects focusing on processing and marketing a value-added product. Examples of acceptable working capital uses include:
 - Designing or purchasing an accounting system for the proposed venture
 - Paying for salaries, utilities, and rental of office space
 - Purchasing inventory, office equipment (e.g. computers, printers, copiers, scanners), and office supplies (e.g. paper, pens, file folders)
 - Conducting a marketing campaign for the proposed value-added product

2.3 Product Eligibility

The proposed project must involve a value-added agricultural product. In order to be considered value-added, the product must fit into the following definition.

The incremental value that is realized by the producer from an agricultural commodity or product as the result of:

- (1) A change in its physical state,
- (2) Differentiated production or marketing, as demonstrated in a business plan, or
- (3) Product segregation. Also,
- (4) The economic benefit realized from the production of farm or ranch-based renewable energy.

Incremental value may be realized by the producer as a result of either an increase in value to buyers or the expansion of the overall market for the product. Examples of value-added products

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include milling wheat into flour, slaughtering livestock or poultry, making strawberries into jam, the marketing of organic products, an identity-preserved marketing system, wind or hydro power produced on land that is farmed and collecting and converting methane from animal waste to generate energy. Identity-preserved marketing systems include labeling that identifies how the product was produced and by whom.

2.4 Activity Eligibility

The project proposed must specify whether grant funds are requested for planning activities or for working capital. Applicants may not request funds for both types of activities in one application. Applications requesting funds for both planning activities and for working capital will not be considered for funding. Applicants other than independent producers applying for a working capital grant must demonstrate that the venture has not been in operation more than two years at the time of application.

2.5 Grant Period Eligibility

Applications that have a timeframe of more than 365 days will be considered ineligible and will not be considered for funding. Applications that request funds for a time period ending after December 31, 2006, will not be considered for funding.

2.6 Other Eligibility

- Applications without sufficient information to determine eligibility will not be considered for funding.
- Applications that are non-responsive to the submission requirements detailed in Section IV of the NOSA will not be considered for funding.
- Applications that are missing any required elements (in whole or in part) will not be considered for funding.
- Applicants may submit more than one application, but in the event that more than one application for any applicant scores high enough to be funded, only the highest ranking application will be funded.
- Applicants who have already received a planning grant for the proposed project shall not receive another planning grant for the same project. Applicants who have already received a working capital grant for a project shall not receive any additional grants for that project. Applicants may receive a planning grant for a project in one funding cycle and receive a working capital grant for the same project in a subsequent funding cycle. Please note that RBS penalizes an applicant who is applying for a planning grant when it has already received a planning grant or who is applying for a working capital grant when it has already received a working capital grant by deducting ten points from the applicant's score under Proposal Evaluation Criterion x.
- Applicants may also receive one grant in any given funding year and be eligible to receive another grant in a subsequent funding year, subject to the above restrictions.
- If an applicant currently has a VAPG, the grant period for that grant must be scheduled to expire by December 31, 2005.

2.7 Ineligible Grant Purposes

Grant funds shall not be used to pay for any of the following activities.

- a. Plan, repair, rehabilitate, acquire, or construct a building or facility, including a processing facility
- b. Purchase, rent, or install fixed equipment, including processing equipment
- c. Purchase vehicles, including boats
- d. Pay for the preparation of the grant application
- e. Pay expenses not directly related to the funded venture;
- f. Fund political or lobbying activities;
- g. Fund any activities prohibited by 7 CFR parts 3015 and 3019
- h. Fund architectural or engineering design work for a specific physical facility
- i. Fund any expenses related to the production of any commodity or product to which value will be added, including seed, rootstock, labor for harvesting the crop, and delivery of the commodity to a processing facility
- j. Fund research and development
- k. Purchase land

2.8 Security Requirements

A grant agreement will be executed between the recipient and RBS.

Section 3: Application Submission Process

3.1 Filing Applications

You may file an application in either paper or electronic format. Send paper applications by U.S. Postal Service or courier delivery services to the address listed in Section 3.4 of this Guide. File an application electronically through <http://www.grants.gov>, the official Federal Government website. RBS will not accept applications by hand-delivery, fax, or e-mail.

3.2 DUNS Number Requirement

Whether you file a paper or an electronic application, you will need a Dun and Bradstreet Data Universal Numbering System (DUNS) number. You must provide your DUNS number on the SF-424, "Application for Federal Assistance." If you are an individual, you are exempt from the DUNS number requirement.

To verify that your organization has a DUNS number or to receive one at no cost, call the dedicated toll-free request line at (866) 705-5711 or access the website at: <http://www.dnb.com/us/>. You will need the following pieces of information when requesting a DUNS number.

- Legal name
- Headquarters name and address of the organization

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- Doing business as (dba) or other name by which the organization is commonly recognized
- Physical address
- Mailing address (if separate from headquarters and/or physical address)
- Telephone number
- Contact name and title
- Number of employees at the physical location

3.4 Paper Applications

Mail an original paper application (no stamped, photocopied, or initialed signatures) and one copy by the deadline date to the following address:

Cooperative Services
Attn: VAPG Program
MS 3250, Rm. 4016
1400 Independence Ave. SW
Washington, DC 20250-3250
(202) 720-7558

The application and any materials sent with it become Federal records by law and cannot be returned to you.

3.5 Electronic Applications

File an electronic application at the website: <http://www.grants.gov>. Note that you will need to follow the instructions on the website to submit an application. Your submission will include the required forms (outlined below) and an attachment which should include all remaining elements of your application.

You must be registered with Grants.gov before you can submit an application. If you have not used Grants.gov before, you will need to register with the Central Contractor Registry (CCR) and the Credential Provider. You will need a DUNS number to access or register at any of the services. The registration process may take several business days to complete. Follow the instructions at Grants.gov for registering and submitting an electronic application. RBS may request original signatures on electronically submitted documents later.

The CCR registers your organization, housing your organizational information and allowing Grants.gov to use it to verify your identity. You may register for the CCR by calling the CCR Assistance Center at (888) 227-2423 or you may register online at: <http://www.ccr.gov>.

The Credential Provider gives you or your representative a username and password, as part of the Federal Government's e-Authentication to ensure a secure transaction. You will need the username and password when you register with Grants.gov or use Grants.gov to submit your application. You must register with the Credential Provider through Grants.gov at the following website: <https://apply.grants.gov/OrcRegister>.

3.6 Deadlines for Grant Applications

For the 2005 grant cycle, the deadline to submit draft applications for a completeness review is 4:00 pm local time on April 22, 2005. For more information on the draft application completeness review, see the NOSA, Section IV.C. and Section V.B.

The deadline to submit final applications is 4:00 p.m. eastern time on May 6, 2005.

All final applications must be received by the filing deadline to be considered for funding.

An application will be considered on time if it is received by the deadline date and time. If the application is filed electronically, an electronic date and time stamp on or before the deadline will be considered on time. Paper applications must arrive at the address listed in Section 3.4 of this Guide by the deadline.

Note: Packages arriving at USDA via the U.S. Postal Service are irradiated, which can damage the contents. Also, the irradiation procedure can add a significant amount of time to the delivery process. RBS encourages you to consider the impact of this procedure when selecting your application delivery method.

Section 4: Requirements for a Completed Grant

4.1 Preparing the Application

A complete application includes the following elements.

1. Standard application forms
2. Title Page
3. Table of Contents
4. Executive Summary
5. Eligibility Discussion
6. Proposal Narrative
7. Conflict of Interest Disclosure
8. Certification of Judgment or Debt Owed to the United States
9. Verification of Matching Funds
10. Certification of Matching Funds

To be considered for a VAPG, you must meet the eligibility requirements and you must submit a complete application by the deadline date. You should consult the cost principles (OMB Circular A-122 and the Federal Acquisition Regulation, Section 31.2) and general administrative requirements for grants (7 CFR parts 3015 and 3019) in order to prepare the budget and complete other parts of the application.

4.2 Required Forms

Applicants must complete and submit the following forms to apply for a VAPG.

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- SF-424, “Application for Federal Assistance” (see NOSA, Section IV.B.1. for additional information)
- SF-424A, “Budget Information – Non-Construction Programs” (see NOSA, Section IV.B.2. for additional information)
- SF-424B, “Assurances – Non-Construction Programs” (see NOSA, Section IV.B.3. for additional information)

4.3 Title Page

The Title Page should include the title of the project as well as any other relevant identifying information. The length should not exceed one page (see NOSA, Section IV.B.5).

4.4 Table of Contents

The Table of Contents should include pages numbers for each main element of the application, including the Proposal Evaluation Criteria (see NOSA, Section IV.B.6 for additional information).

4.5 Executive Summary

The Executive Summary should briefly describe the project, including goals, tasks to be completed and other relevant information that provides a general overview of the project. In this section the applicant must clearly state whether the proposal is for a planning grant or a working capital grant and the amount requested (see NOSA, Section IV.B.7 for additional information).

4.6 Eligibility Discussion

The Eligibility Discussion section must include a detailed discussion, not to exceed four pages, describing how the applicant, project, and purpose meet the eligibility requirements (see NOSA, Section IV.B.8 for additional information).

4.7 Proposal Narrative

The Proposal Narrative should not exceed 35 pages and must include the following elements.

4.7.1 Project Title

The title of the proposed project must be brief, not to exceed 75 characters, yet describe the essentials of the project. It should match the project title submitted on the SF-424. The Project Title does not need to appear on a separate page. It can be included on the Title Page and/or on the Information Sheet (see NOSA, Section IV.B.9.i.).

4.7.2 Information Sheet

The Information Sheet is a separate one page document listing each of the evaluation criteria referenced in this funding announcement followed by the page numbers of all relevant material

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contained in the proposal that address or support each Proposal Evaluation Criterion (see NOSA, Section IV.B.9.ii.).

4.7.3 Goals of the Project

The Goals of the Project section should be a clear statement of the ultimate goals of the project. There must be an explanation of how a market will be expanded and the degree to which incremental revenue will accrue to the benefit of the agricultural producer(s) (see NOSA, Section IV.B.9.iii.).

4.7.4 Work Plan and Budget

The narrative must contain a description of the project and set forth the tasks involved in reasonable detail. The description should specify the activity, who will perform the activity, during what time frame the activity will take place, and the cost of the activity. Please note that one of the Proposal Evaluation Criteria evaluates the Work Plan and Budget. Applicants should only submit the Work Plan and Budget once, either as Section IV.B.9. or as part of the Work Plan/Budget evaluation criterion discussion (see NOSA, Section IV.B.9.iv, Section V.A.1.v., and Section V.A.2.v. for additional information).

4.7.5 Pro Forma Financial Statements

Working capital applications must also include three years of pro forma financial statements, including an explanation of all assumptions, such as input prices, finished product prices, and other economic factors used to generate the financial statements. The financial statements must include cash flow statements, income statements, and balance sheets. Income statements and cash flow statements must be monthly for the first year, then annual for the next two years. The balance sheet should be annual for all three years (see NOSA, Section IV.B.9.v. for additional information).

4.7.6 Performance Evaluation Criteria

The applicant must suggest criteria by which the project should be evaluated in the event that a grant is awarded. These suggested criteria are not binding on USDA. Please note that these criteria are different from the Proposal Evaluation Criteria and are a separate requirement. Failure to submit at least one performance criterion by the application deadline will result in a determination of incomplete and the proposal will not be considered for funding. (see NOSA, Section IV.B.9.vi.).

4.7.7 Proposal Evaluation Criteria

Each of the proposal evaluation criteria referenced in the NOSA must be addressed, specifically and individually, in narrative form. There are separate evaluation criteria for planning grant applications and working capital applications (see NOSA, Section V.A.1. for additional information on planning criteria and Section V.A.2. for additional information on working capital criteria). The criteria are listed below.

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Planning Grant Criteria

- i. Nature of the proposed venture
- ii. Qualifications of those doing work
- iii. Project leadership
- iv. Commitments and support
- v. Work plan/Budget
- vi. Amount requested
- vii. Project cost per owner-producer
- viii. Community and industry support
- ix. Business size
- x. Number of grants
- xi. Presidential initiative of bio-energy
- xii. Administrator points

Working Capital Grant Criteria

- i. Business viability
- ii. Customer base/increased returns
- iii. Commitments and support
- iv. Management team/work force
- v. Work plan/Budget
- vi. Amount requested
- vii. Project cost per owner-producer
- viii. Community and industry support
- ix. Business size
- x. Number of grants
- xi. Presidential initiative of bio-energy
- xii. Administrator points

4.8 Conflict of Interest Disclosure

If the applicant plans to conduct business with any family members, company owners, or other identities of interest using grant or matching funds, the nature of the business to be conducted and the nature of the relationship between the applicant and the identity of interest must be disclosed. Examples include in-kind matching funds donated by the applicant's immediate family and contracting with someone who has a financial interest in the venture for services paid by grant or matching funds (see NOSA, Section IV.B.10.).

4.9 Certification of Judgment or Debt Owed to the United States

Applicants must certify that they are not delinquent on a debt owed to the United States and that the United States has not obtained a judgment against them. No grant funds shall be used to pay a judgment or delinquent debt owed to the United States (see NOSA, Section IV.B.11.).

4.10 Verification of Matching Funds

Applicants must provide a budget to support the work plan showing all sources and uses of funds during the project period. Applicants will be required to verify matching funds, both cash and in-kind. All proposed matching funds must be specifically documented in the application (see NOSA, Section IV.B.12. for additional information).

4.11 Certification of Matching Funds

Applicants must certify that matching funds will be available at the same time grant funds are anticipated to be spent and that matching funds will be spent in advance of grant funding, such that for every dollar of grant funds advanced, not less than an equal amount of matching funds will have been expended prior to submitting the request for reimbursement. Please note that this certification is a separate requirement from the Verification of Matching Funds requirement (see NOSA, Section IV.B.13. for additional information).

Section 5: Application Review Process

5.1 Receipt Acknowledgement

RBS will acknowledge the receipt of your application by e-mail or letter within 30 days of receiving your application. Your application will be initially screened to determine if it is complete and eligible. If your application is determined to be complete and eligible, it will be further evaluated. If your application is determined to be incomplete, ineligible, or both, you will be notified of the reasons within 45 days of the award announcements.

5.2 Evaluating the Application

Each complete and eligible application will be evaluated by at least four people. One evaluation will be completed by an RD staff member working for the RD office in the applicant's state. A second evaluation will be conducted by an RD staff member working for an RD office outside of the applicant's state. Two other evaluations will be conducted by non-Federal personnel with business and agricultural expertise. Those applications with statistically significant differences in scoring will be further evaluated by two RD staff working for an RD office outside of the applicant's state. See the NOSA, Section V.B. for additional information.

5.3. Scoring Criteria

Applications that are complete and eligible will be ranked competitively based on the criteria listed in Section 4.7.7 of this Guide. For additional information on the criteria, see the NOSA, Section V.A.1. and Section V.A.2.

5.4 Application Selection

RBS will rank all complete and eligible applications by their final score. Applications will be selected for funding in rank order, subject to the availability of VAPG funds. Each applicant will be notified in writing of the final score of its application. Whenever possible, comments from the reviewers will be made available to the applicant upon request.

5.5 Possible RBS Actions on an Application

In making its decision about your application, RBS may determine that your application is:

- Eligible and selected for funding
- Eligible, but offered fewer funds than requested
- Eligible, but not selected for funding
- Ineligible for funding

5.6 Appeals Process

In accordance with 7 CFR part 11, you generally have the right to appeal RBS decisions that are adverse to you. RBS will notify you of your appeal rights when it notifies you of the decision for your application. If RBS has determined its decision is not appealable, you may request that the

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National Appeals Division (NAD) determine the appealability of a specific decision. The request must be in writing and filed at the appropriate Regional Office, which can be found at <http://www.nad.usda.gov/offices.htm> or by calling (703) 305-1166.

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Appendix A – Rules and Regulations

These rules and regulations have been mentioned throughout the text of this Guide, but are listed in one place for easy reference. The Code of Federal Regulations (CFR) is located at <http://www.gpoaccess.gov/cfr/index.html>. The OMB Circulars are located at http://www.whitehouse.gov/omb/grants/grants_circulars.html. The Federal Acquisition Regulation is located at <http://www.arnet.gov/far/>.

- CFR, Title 7, Part 11, subpart A, “National Appeals Division Rules of Procedures”
- CFR, Title 7, Part 3015, “Uniform Federal Assistance Regulations”
- CFR, Title 7, Part 3019, “Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations”
- CFR, Title 7, Part 4284, subpart A, “General Requirements for Cooperative Services Grant Programs, Value-Added Producer Grants, Agriculture Innovation Centers and Rural Cooperative Development Grants”
- CFR, Title 7, Part 4284, subpart J, “Value-Added Producer Grants”
- OMB Circular A-122, “Cost Principles for Non-Profit Organizations”
- Federal Acquisition Regulation

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Appendix B – Draft Planning Application Completeness Checklist

Form of submission

- ☐ Font size = 12 point unreduced
- ☐ Paper size = 8.5 by 11 inches
- ☐ Page margin size = 1 inch on the top, bottom, left, and right
- ☐ Printed on only 1 side of each page
- ☐ Held together only by rubber bands or metal or plastic clips, not bound in any other way or sent electronically via <http://www.grants.gov>
- ☐ Language = English, with no jargon
- ☐ Submission includes all pages of the application

Content of submission

- ☐ 1. Form SF-424
 - ☐ Legal name of applicant (Item 5)
 - ☐ Applicant's DUNS number (Item 5)
 - ☐ Applicant's complete mailing address (Item 5)
 - ☐ Name of contact person (Item 5)
 - ☐ Telephone number of contact person (Item 5)
 - ☐ Employer Identification Number (Item 6)
 - ☐ Proposed start date of project (Item 13)
 - ☐ Proposed end date of project (Item 13)
 - ☐ Federal funds requested (Item 15a)
 - ☐ Matching funds amount (Items 15b-15e)
 - ☐ Answer to question, "Is applicant delinquent on any federal debt?" (Item 17)
 - ☐ Name of authorized representative (Item 18a)
 - ☐ Telephone number of authorized representative (Item 18c)
 - ☐ Signature of authorized representative (Item 18d)
 - ☐ Date form was signed (Item 18e)
- ☐ 2. Form SF-424A
 - ☐ Section A (both federal and matching funds)
 - ☐ Section B (both federal and matching funds)
 - ☐ Section C (both federal and matching funds)
 - ☐ Section D (both federal and matching funds)
- ☐ 3. Form SF-424B
 - ☐ Signature of authorized representative
 - ☐ Title of authorized representative
 - ☐ Name of authorized representative
 - ☐ Date signed by authorized representative
- ☐ 4. Survey on Ensuring Equal Opportunity for Applicants – Submission of this form is voluntary for non-profit applicants. For-profit applicants should not submit this form.
- ☐ 5. Title Page – Title of the project (limit = 1 page)
- ☐ 6. Table of Contents

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- ☐ Page number for Executive Summary
 - ☐ Page number for Eligibility Discussion
 - ☐ Page number for Project Title
 - ☐ Page number for Information Sheet
 - ☐ Page number for Goals of the Project
 - ☐ Page number for Work Plan
 - ☐ Page number for Performance Evaluation Criteria
 - ☐ Page number of Proposal Evaluation Criteria
 - ☐ Page number for Conflict of Interest Disclosure
 - ☐ Page number for Certification of Judgment or Debt Owed to the United States
 - ☐ Page number for Verification of Matching Funds
 - ☐ Page number of Certification of Matching Funds
- ☐ 7. Executive Summary (limit = 1 page)
- ☐ Describe goals of project
 - ☐ Describe tasks to be completed
 - ☐ Other relevant information that provides a general overview of the project
 - ☐ Statement saying whether funds are requested for planning purposes or working capital purposes
- ☐ 8. Eligibility Discussion (limit = 4 pages)
- ☐ Description of type of applicant

If the applicant is an Independent Producer

- ☐ Demonstrate owners of entity applying own and produce more than 50% of the raw commodity that will be used for the value-added product.
- ☐ Demonstrate that production is owned by independent producers from its raw commodity state through production of value-added product

If the applicant is an Agricultural Producer Group

- ☐ Identify the independent producers on whose behalf the work will be done (the identification can either be by name or by class)
- ☐ Demonstrate that the independent producers on whose behalf the work will be done own and produce the raw commodity to which value will be added

If the applicant is a Farmer or Rancher cooperative

- ☐ Reference the cooperative's standing as a cooperative in its state of incorporation
- ☐ Demonstrate the cooperative is 100% owned and controlled by independent producers

If the cooperative is applying on behalf of only a portion of its membership

- ☐ Identify the portion of membership on whose behalf the work will be done (identification can be either by name or by class)

If the applicant is a Majority-Controlled Producer-Based Business Venture

- ☐ State the percentage of the venture owned by independent producers, or partnerships, LLCs, LLPs, corporations or cooperatives that are themselves 100 percent owned and controlled by independent producers

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- ☐ Percentage stated is calculated by dividing the ownership interest of eligible producers by ownership interest of all owners
- ☐ Eligible producers own and produce the raw commodity to which value will be added
- ☐ Demonstrate that the majority of voting rights belong to eligible producers who own and produce the commodity to which value will be added
- ☐ Describe all organizations involved in the project
- ☐ Describe how the value-added product meets the definition of “Value-Added”

If the product meets definition 1

- ☐ Describe the changes in the physical state of form of the product

If the product meets definition 2

You should not apply for a planning grant under this definition

If the product meets definition 3

- ☐ Explain how physical segregation of a commodity or product enhances its value

If the product meets definition 4

- ☐ Explain how renewable energy will be generated on a farm or ranch

- ☐ Describe how the project purpose is eligible for funding

☐ 9. Proposal Narrative (limit = 35 pages)

- ☐ i. Project Title – Title for the project is given in the application
- ☐ ii. Information Sheet – List each Proposal Evaluation Criterion with page numbers
- ☐ iii. Goals of the Project
 - ☐ Explanation of how the market will be expanded through the project
 - ☐ Explanation of the degree to which incremental revenue will accrue to the benefit of the producer(s)
- ☐ iv. Work Plan
 - ☐ Description of the project
 - ☐ Set forth the tasks to be performed in reasonable detail
- ☐ vi. Performance Evaluation Criteria – Suggest at least one criterion by which the project should be evaluated in the event a grant is awarded
- ☐ vii. Proposal Evaluation Criteria
 - ☐ i. Nature of Proposed Venture
 - ☐ Discuss the agricultural commodity to which value will be added
 - ☐ Discuss the process by which value will be added

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- ☐ Description of the value-added product produced
- ☐ ii. Qualifications of those doing the work
- ☐ iii. Project leadership
- ☐ iv. Commitments and support
- ☐ v. Work plan/budget
 - ☐ Budget presents a detailed breakdown of all estimated costs associated with the planning activities and allocates those costs among the listed tasks
 - ☐ Matching funds and grant funds are represented in the budget
- ☐ vi. Amount requested is stated
- ☐ vii. Project cost per owner-producer
 - ☐ The number is calculated by dividing the amount of grant funds requested by the total number of producers that are owners of the venture

If applying as an independent producer, farmer or rancher cooperative, or majority-controlled producer-based business venture,

- ☐ State the number of independent producers and/or owners

If applying as an agricultural producer group,

- ☐ State the number of producers represented that produce the commodity to which value will be added

- ☐ viii. Community and industry support
 - ☐ Description of name(s) of support organizations
 - ☐ Description of date(s) of support letters
 - ☐ Description of name(s) of person(s) signing the support letters
- ☐ ix. Business size – must state amount of gross sales for most recent fiscal year
- ☐ x. Number of grants – indicate whether the applicant has received any VAPGs since 2001
- ☐ xi. Bio-energy
 - ☐ Indicate whether project has bio-energy component

If there is a bio-energy component,

- ☐ Energy is produced from a bio-based source

If the energy is from a bio-based source and is not a value-added product in its own right (e.g. ethanol, bio-diesel)

- ☐ More than 50% of the energy is used on-farm or on-ranch

- ☐ 10. Conflict of interest disclosure

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- ☐ 11. Certification of judgment
- ☐ 12. Verification of matching funds
 - ☐ Budget (may be located elsewhere in the application)
 - ☐ All proposed matching funds are specifically documented in the application
 - ☐ Matching funds are available for the time period of the grant
 - ☐ Matching funds are not significantly overvalued

If matching funds are cash from the applicant,

- ☐ Bank statement with an ending date within 30 days of the application deadline or statement from lending institution verifying the amount available, the time period of availability of the funds, and the purposes for which funds may be used

If matching funds are in-kind from the applicant,

- ☐ Signed letter from the applicant or its authorized representative verifying the goods or services to be donated, when the goods or services will be donated, and the value of the goods or services

If matching funds are cash from a third party,

- ☐ Signed letter from that third party verifying how much cash will be donated and when it will be donated

If matching funds are in-kind from a third party,

- ☐ Signed letter from a third party verifying the goods or services to be donated, when the goods and services will be donated, and the value of the goods and services

- ☐ 13. Certification of matching funds

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Appendix C – Draft Working Capital Application Completeness Checklist

Form of submission

- ☐ Font size = 12 point unreduced
- ☐ Paper size = 8.5 by 11 inches
- ☐ Page margin size = 1 inch on the top, bottom, left, and right
- ☐ Printed on only 1 side of each page
- ☐ Held together only by rubber bands or metal or plastic clips, not bound in any other way or sent electronically via <http://www.grants.gov>
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 - ☐ Matching funds amount (Items 15b-15e)
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 - ☐ Name of authorized representative (Item 18a)
 - ☐ Telephone number of authorized representative (Item 18c)
 - ☐ Signature of authorized representative (Item 18d)
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 - ☐ Section D (both federal and matching funds)
- ☐ 3. Form SF-424B
 - ☐ Signature of authorized representative
 - ☐ Title of authorized representative
 - ☐ Name of authorized representative
 - ☐ Date signed by authorized representative
- ☐ 4. Survey on Ensuring Equal Opportunity for Applicants – Submission of this form is voluntary for non-profit applicants. For-profit applicants should not submit this form.
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- ☐ Describe goals of project
 - ☐ Describe tasks to be completed
 - ☐ Other relevant information that provides a general overview of the project
 - ☐ Statement saying whether funds are requested for planning purposes or working capital purposes
- ☐ 8. Eligibility Discussion (limit = 4 pages)
- ☐ Description of type of applicant

If the applicant is an Independent Producer

- ☐ Demonstrate owners of entity applying own and produce more than 50% of the raw commodity that will be used for the value-added product.
- ☐ Demonstrate that production is owned by independent producers from its raw commodity state through production of value-added product

If the applicant is an Agricultural Producer Group

- ☐ Identify the independent producers on whose behalf the work will be done (the identification can either be by name or by class)
- ☐ Demonstrate that the independent producers on whose behalf the work will be done own and produce the raw commodity to which value will be added

If the applicant is a Farmer or Rancher cooperative

- ☐ Reference the cooperative's standing as a cooperative in its state of incorporation
- ☐ Demonstrate the cooperative is 100% owned and controlled by independent producers

If the cooperative is applying on behalf of only a portion of its membership

- ☐ Identify the portion of membership on whose behalf the work will be done (identification can be either by name or by class)

If the applicant is a Majority-Controlled Producer-Based Business Venture

- ☐ State the percentage of the venture owned by independent producers, or partnerships, LLCs, LLPs, corporations or cooperatives that are themselves 100 percent owned and controlled by independent producers

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- ☐ Percentage stated is calculated by dividing the ownership interest of eligible producers by ownership interest of all owners
- ☐ Eligible producers own and produce the raw commodity to which value will be added
- ☐ Demonstrate that the majority of voting rights belong to eligible producers who own and produce the commodity to which value will be added
- ☐ Describe all organizations involved in the project
- ☐ Describe how the value-added product meets the definition of “Value-Added”
- If the product meets definition 1
 - ☐ Describe the changes in the physical state of form of the product
- If the product meets definition 2
 - ☐ Explain how production or marketing of the commodity enhances the value-added product’s value
 - ☐ Reference a business plan developed for the project
- If the product meets definition 3
 - ☐ Explain how physical segregation of a commodity or product enhances its value
- If the product meets definition 4
 - ☐ Explain how renewable energy will be generated on a farm or ranch
- ☐ Describe how the project purpose is eligible for funding
- ☐ 9. Proposal Narrative (limit = 35 pages)
 - ☐ i. Project Title – Title for the project is given in the application
 - ☐ ii. Information Sheet – List each Proposal Evaluation Criterion with page numbers
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 - ☐ Explanation of how the market will be expanded through the project
 - ☐ Explanation of the degree to which incremental revenue will accrue to the benefit of the producer(s)
 - ☐ iv. Work Plan
 - ☐ Description of the project
 - ☐ Set forth the tasks to be performed in reasonable detail
 - ☐ v. Pro Forma Financial Statements
 - ☐ Explanation of all assumptions, such as input prices, finished product prices, and other economic factors used to generate the financial statements
 - ☐ Cash flow statements for 3 years that are monthly for the first year, then annual for the next 2 years
 - ☐ Income statements for 3 years that are monthly for the first year, then annual for the next 2 years

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- ☐ Balance sheets for 3 years that are annual for all 3 years
- ☐ vi. Performance Evaluation Criteria - Suggest at least one criterion by which the project should be evaluated in the event a grant is awarded
- ☐ vii. Proposal Evaluation Criteria
 - ☐ i. Business viability
 - ☐ Discuss the agricultural commodity to which value will be added
 - ☐ Discuss the process by which value will be added
 - ☐ Description of the value-added product produced
 - ☐ Reference feasibility study that has been developed for the project by an independent third party
 - ☐ Reference business plan that has been developed for the project
 - ☐ ii. Customer base/increased returns
 - ☐ Describe how the customer base for the product being produced will expand because of the value-added venture (if there is no increase in customer base, the applicant must say that)
 - ☐ Describe how a greater portion of the revenue derived from the venture will be returned to the producers that are owners of the venture (if there is no increase in returns, the applicant must say that)
 - ☐ iii. Commitments and support
 - ☐ iv. Management team/work force
 - ☐ Information on the education and capabilities of project managers and those who will operate the venture
 - ☐ Information on the availability and quality of the labor force needed to operate the venture
 - ☐ v. Work plan/budget
 - ☐ Budget presents a detailed breakdown of all estimated costs associated with the working capital activities and allocates those costs among the listed tasks
 - ☐ Matching funds and grant funds are represented in the budget
 - ☐ vi. Amount requested is stated
 - ☐ vii. Project cost per owner-producer
 - ☐ The number is calculated by dividing the amount of grant funds requested by the total number of producers that are owners of the venture

If applying as an independent producer, farmer or rancher cooperative, or majority-controlled producer-based business venture,

- ☐ State the number of independent producers and/or owners

If applying as an agricultural producer group,

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- ☐ State the number of producers represented that produce the commodity to which value will be added
- ☐ viii. Community and industry support
 - ☐ Description of name(s) of support organizations
 - ☐ Description of date(s) of support letters
 - ☐ Description of name(s) of person(s) signing the support letters
- ☐ ix. Business size – must state amount of gross sales for most recent fiscal year
- ☐ x. Number of grants – indicate whether the applicant has received any VAPGs since 2001
- ☐ xi. Bio-energy
 - ☐ Indicate whether project has bio-energy component
 - If there is a bio-energy component
 - ☐ Energy is produced from a bio-based source
 - If the energy is from a bio-based source and is not a value-added product in its own right (e.g. ethanol, bio-diesel)
 - ☐ More than 50% of the energy is used on-farm or on-ranch
- ☐ 10. Conflict of interest disclosure
- ☐ 11. Certification of judgment
- ☐ 12. Verification of matching funds
 - ☐ Budget (may be located elsewhere in the application)
 - ☐ All proposed matching funds are specifically documented in the application
 - ☐ Matching funds are available for the time period of the grant
 - ☐ Matching funds are not significantly overvalued

If matching funds are cash from the applicant,

- ☐ Bank statement with an ending date within 30 days of the application deadline or statement from lending institution verifying the amount available, the time period of availability of the funds, and the purposes for which funds may be used

If matching funds are in-kind from the applicant,

- ☐ Signed letter from the applicant or its authorized representative verifying the goods or services to be donated, when the goods or services will be donated, and the value of the goods or services

If matching funds are cash from a third party,

- ☐ Signed letter from that third party verifying how much cash will be donated and when it will be donated

If matching funds are in-kind from a third party,

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- ☐ Signed letter from a third party verifying the goods or services to be donated, when the goods and services will be donated, and the value of the goods and services
- ☐ 13. Certification of matching funds

Appendix D – VAPG Planning Application Outline

This appendix provides a suggested, not required, format for a 2005 VAPG planning grant application. Each required element is listed with the relevant text from the NOSA. Many of the elements also include sample language and/or tables.

Please note: **You MUST read the NOSA and the program regulation, 7 CFR part 4284, subparts A and J in order to obtain a comprehensive list of program requirements.** Simply following the sample format does not guarantee that your application will be determined to be eligible and complete, or that it will be funded. If you have questions during the application process, please contact your state representative listed in Section 1.4 of this Guide.

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APPLICATION FOR FEDERAL ASSISTANCE		Version 7/03	
1. TYPE OF SUBMISSION: Application <input type="checkbox"/> Construction <input checked="" type="checkbox"/> Non-Construction		2. DATE SUBMITTED February 24, 2005	Applicant Identifier
Pre-application <input type="checkbox"/> Construction <input type="checkbox"/> Non-Construction		3. DATE RECEIVED BY STATE	State Application Identifier
5. APPLICANT INFORMATION		4. DATE RECEIVED BY FEDERAL AGENCY	Federal Identifier
Legal Name: ABC Corporation		Organizational Unit: Department:	
Organizational DUNS: 00000000		Division:	
Address: Street: 1400 Independence Ave. SW		Name and telephone number of person to be contacted on matters involving this application (give area code)	
City: Washington		Prefix: Ms.	First Name: Gail
County: N/A		Middle Name J.	
State: DC		Last Name Thuner	
Zip Code 20250		Suffix:	
Country: USA		Email: gail.thuner@usda.gov	
6. EMPLOYER IDENTIFICATION NUMBER (EIN): 00-00000000		Phone Number (give area code) (202) 720-7558	Fax Number (give area code) (202) 720-4641
8. TYPE OF APPLICATION: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es) (See back of form for description of letters.) Other (specify)		7. TYPE OF APPLICANT: (See back of form for Application Types) M Other (specify)	
10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: 10-352		9. NAME OF FEDERAL AGENCY: Rural Business-Cooperative Service	
12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.): Northern Virginia, Maryland		11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT: Marketing Crabs Processed into Sandwich Spread	
13. PROPOSED PROJECT Start Date: 01/01/2006 Ending Date: 12/31/2006		14. CONGRESSIONAL DISTRICTS OF: a. Applicant N/A b. Project VA-8, VA-10, VA-11, MD-1-MD-8	
15. ESTIMATED FUNDING:		16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?	
a. Federal	\$ 100,000 ⁰⁰	a. Yes. <input type="checkbox"/> THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON	
b. Applicant	\$ 50,000 ⁰⁰	DATE:	
c. State	\$ 15,000 ⁰⁰	b. No. <input type="checkbox"/> PROGRAM IS NOT COVERED BY E. O. 12372	
d. Local	\$ 35,000 ⁰⁰	<input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW	
e. Other	\$ 200,000 ⁰⁰	17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?	
f. Program Income	\$	<input type="checkbox"/> Yes If "Yes" attach an explanation. <input checked="" type="checkbox"/> No	
g. TOTAL	\$ 200,000 ⁰⁰		
18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.			
a. Authorized Representative			
Prefix Ms.	First Name Gail	Middle Name J.	
Last Name Thuner		Suffix	
b. Title General Manager		c. Telephone Number (give area code) (202) 720-7558	
d. Signature of Authorized Representative		e. Date Signed 2/24/2005	

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OMB Approval No. 0348-0044

BUDGET INFORMATION - Non-Construction Programs

SECTION A - BUDGET SUMMARY						
Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1. VAPG	10.352	\$	\$	\$ 100,000.00	\$ 100,000.00	\$ 200,000.00
2.						0.00
3.						0.00
4.						0.00
5. Totals		\$ 0.00	\$ 0.00	\$ 100,000.00	\$ 100,000.00	\$ 200,000.00
SECTION B - BUDGET CATEGORIES						
6. Object Class Categories	(1)	GRANT PROGRAM, FUNCTION OR ACTIVITY				Total (5)
		VAPG (2)	(3)	(4)	(5)	
a. Personnel	\$	100,000.00	\$	\$	\$	100,000.00
b. Fringe Benefits		17,000.00				17,000.00
c. Travel		10,000.00				10,000.00
d. Equipment						0.00
e. Supplies		4,600.00				4,600.00
f. Contractual		34,000.00				34,000.00
g. Construction						0.00
h. Other		34,400.00				34,400.00
i. Total Direct Charges (sum of 6a-6h)		200,000.00	0.00	0.00	0.00	200,000.00
j. Indirect Charges						0.00
k. TOTALS (sum of 6i and 6j)	\$	200,000.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 200,000.00
7. Program Income	\$		\$	\$	\$	0.00

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SECTION C - NON-FEDERAL RESOURCES					
(a) Grant Program	(b) Applicant	(c) State	(d) Other Sources	(e) TOTALS	
8. VAPG	\$ 50,000.00	\$ 15,000.00	\$ 35,000.00	\$	100,000.00
9.					0.00
10.					0.00
11.					0.00
12. TOTAL (sum of lines 8-11)	\$ 50,000.00	\$ 15,000.00	\$ 35,000.00	\$	100,000.00
SECTION D - FORECASTED CASH NEEDS					
	Total for 1st Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	\$	\$	\$	\$	\$
13. Federal	100,000.00	12,500.00	25,000.00	37,500.00	25,000.00
14. Non-Federal	100,000.00	12,500.00	25,000.00	37,500.00	25,000.00
15. TOTAL (sum of lines 13 and 14)	\$ 200,000.00	\$ 25,000.00	\$ 50,000.00	\$ 75,000.00	\$ 50,000.00
SECTION E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT					
(a) Grant Program	FUTURE FUNDING PERIODS (Years)				
	(b) First	(c) Second	(d) Third	(e) Fourth	
16. VAPG	\$	\$	\$	\$	
17.					
18.					
19.					
20. TOTAL (sum of lines 16-19)	\$	0.00	0.00	0.00	0.00
SECTION F - OTHER BUDGET INFORMATION					
21. Direct Charges:		22. Indirect Charges:			
23. Remarks:					

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ASSURANCES - NON-CONSTRUCTION PROGRAMS

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0040), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.
7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
8. Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

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9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction subagreements.
10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL	TITLE General Manager
APPLICANT ORGANIZATION ABC Corporation	DATE SUBMITTED March 2, 2005

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Title Page

The Title Page should include the title of the project as well as any other relevant identifying information. The length should not exceed one page. Example language is included below.

“Marketing Crabs Processed into Sandwich Spread”

A 2005 Value-Added Producer Grant Application

Submitted by:

ABC Corporation
1400 Independence Avenue SW
Washington, DC 20250

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Table of Contents

For ease of locating information, each proposal must contain a detailed Table of Contents (TOC) immediately following the Title Page. The TOC should include page numbers for each component of the proposal. Pagination should begin immediately following the TOC. In order for this element to be considered complete, the TOC should include page numbers for the Executive Summary, an Eligibility Discussion, the Proposal Narrative and its subcomponents (Project Title, Information Sheet, Goals of the Project, Work Plan, Performance Evaluation Criteria and Proposal Evaluation Criteria), Verification of Matching Funds and Certification of Matching Funds. It is recommended that the applicant start its application with the required forms and number those forms beginning with the Roman numeral “i.” The Title Page and Table of Contents should also be numbered with small Roman numerals. The Executive Summary should be page number 1. Example language is included below.

Table of Contents

<u>Element</u>	<u>Page</u>
SF-424	p.#
SF-424A	p.#
SF-424B	p.#
Survey on Ensuring Equal Opportunity for Applicants (if submitted)	p.#
Title Page	p.#
Table of Contents	p.#
Executive Summary	p.#
Eligibility Discussion	p.#
Proposal Narrative	p.#
Project Title	p.#
Information Sheet	p.#
Goals of the Project	p.#
Work Plan	p.#
Performance Evaluation Criteria	p.#
Proposal Evaluation Criteria	p.#
Nature of the Proposed Venture	p.#
Qualifications of Those Doing Work	p.#
Project Leadership	p.#
Commitments and Support	p.#
Work Plan/Budget	p.#
Amount Requested	p.#

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Table of Contents (cont.)

<u>Element</u>	<u>Page</u>
Project Cost per Owner/Producer	p.#
Community and Industry Support	p.#
Business Size	p.#
Number of Grants	p.#
Presidential Initiative of Bio-Energy	p.#
Administrator Points	p.#
Conflict of Interest Disclosure	p.#
Certification of Judgment or Debt	p.#
Verification of Matching Funds	p.#
Certification of Matching Funds	p.#

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Executive Summary

A summary of the proposal, **not to exceed one page**, should briefly describe the project, including goals, tasks to be completed and other relevant information that provides a general overview of the project. In this section the applicant must clearly state whether the proposal is for a planning grant or a working capital grant and the amount requested. In the event an applicant submits more than one page for this element, only the first page submitted will be considered.

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Eligibility Discussion

A detailed discussion, **not to exceed four pages**, describing how the applicant, project, and purpose meet the eligibility requirements. In the event that more than four pages are submitted, only the first four pages will be considered.

Applicant Eligibility

The applicant must first describe how it meets the definition of an independent producer, agricultural producer group, farmer or rancher cooperative, or a majority-controlled producer-based business venture as defined in the “Definitions” section of this funding announcement. The applicant must apply as only one type of applicant.

1. If the applicant is an independent producer, the proposal must demonstrate that the owners of the business applying own and produce more than 50 percent of the raw commodity that will be used for the value-added product. The applicant must also demonstrate that the product is owned by the producers from its raw commodity state through the production of the value-added product.

2. If the applicant is an agricultural producer group, it must identify the independent producers on whose behalf the work will be done. These producers must own and produce the commodity to which value will be added. Note that applicants tentatively selected for a grant award must verify that the work will be done on behalf of the Independent Producers identified in the application.

3. If the applicant is a farmer or rancher cooperative, the applicant must reference the business' standing as a cooperative in its state of incorporation. The applicant must also explain how the cooperative is 100 percent owned and controlled by Independent Producers. If a cooperative is not 100 percent owned and controlled by Independent Producers, it may still be eligible to apply as a Majority-Controlled Producer-Based Business Venture, provided it meets the definition in Section I. If the applicant is applying on behalf of only a portion of its membership, that portion must be identified. Note that applicants tentatively selected for a grant award must verify that the work will be done on behalf of the Independent Producers identified in the application.

4. If the applicant is a majority-controlled producer-based business venture, the proposal must state the percentage of the venture owned by independent producers, or partnerships, LLCs, LLPs, corporations or cooperatives that are themselves 100 percent owned and controlled by Independent Producers (eligible producers). The percentage must be calculated by dividing the ownership interest of the eligible producers by the ownership interest of all owners. These eligible producers must own and produce the commodity to which value will be added. The applicant must also demonstrate that eligible producers have majority control over the business. Majority control must be demonstrated through voting rights on the governing body of the business venture. The majority of voting rights must belong to eligible producers who own and produce the commodity to which value will be added.

5. In addition, the applicant must describe all organizations that are involved in the project.

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Product Eligibility

The applicant must next describe how the value-added product to be produced meets the definition of “Value-Added” as defined in the “Definitions” section of this funding announcement.

1. If the product meets the first definition, the application must explain the change in physical state or form of the product.
2. If the product meets the second definition, the proposal must explain how the production or marketing of the commodity enhances the value-added product's value. The enhancement of value should be quantified by using a comparison with value-added products produced or marketed in the standard manner. Also, a business plan that has been developed for the applicant for the project must be referenced.
3. If the product meets the third definition, the proposal must explain how the physical segregation of a commodity or product enhances its value. The enhancement of value should be quantified, if possible, by using a comparison with commodities marketed without segregation.
4. If the product meets the fourth definition, the proposal must explain how the renewable energy will be generated on a farm or ranch.

Activity Eligibility

Finally, the applicant must describe how the project purpose is eligible for funding. The project purpose is comprised of two components. First, the project activities must be planning activities. Second, the activities must be directly related to the processing and/or marketing of a value-added product. Agricultural production activities are not eligible for funding.

1. If the grant request is for planning activities, working capital expenses are not eligible for funding. If more than 20 percent of the total project cost (both grant and matching funds) for a planning activities application is for working capital expenses, the entire application will be determined to be ineligible and will not be considered for funding. If 20 percent or less of the total project cost for a planning activities application is for working capital expenses, the application may still be considered for funding, but any subsequent award will only be for eligible project expenses.
2. If the applicant has already received a planning grant for a project, it is only eligible to apply for a working capital grant. If an applicant has already received a working capital grant for a project, it is not eligible to apply for any further grants for that project. An applicant may not receive more than one grant in any one funding cycle. An applicant may submit multiple applications, but if more than one application scores high enough to be funded, only the highest ranked application will be funded.

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Proposal Narrative

The narrative, **not to exceed 35 pages** (Times New Roman, 12 point font, 1 inch margins) must include the following information. In the event that more than 35 pages are submitted, only the first 35 pages submitted will be considered.

Project Title

The title of the proposed project must be brief, **not to exceed 75 characters**, yet describe the essentials of the project. It should match the project title submitted on the SF-424. The Project Title does not need to appear on a separate page. It can be included on the Title Page and/or on the Information Sheet.

Information Sheet

A separate **one page** information sheet listing each of the evaluation criteria referenced in this funding announcement followed by the page numbers of all relevant material contained in the proposal that address or support each criterion. Example language is included below.

Information Sheet

<u>Criterion</u>	<u>Page</u>
Nature of the Proposed Venture	p.#
Qualifications of Those Doing Work	p.#
Project Leadership	p.#
Commitments and Support	p.#
Work Plan/Budget	p.#
Amount Requested	p.#
Project Cost per Owner/Producer	p.#
Community and Industry Support	p.#
Business Size	p.#
Number of Grants	p.#
Presidential Initiative of Bio-Energy	p.#
Administrator Points	p.#

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Goals of the Project

A clear statement of the ultimate goals of the project. There must be an explanation of how a market will be expanded and the degree to which incremental revenue will accrue to the benefit of the agricultural producer(s).

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Work Plan

The narrative must contain a description of the project and set forth the tasks involved in reasonable detail. The description should specify the activity, who will perform the activity, during what time frame the activity will take place, and the cost of the activity. Please note that one of the Proposal Evaluation Criteria evaluates the Work Plan and Budget. Applicants should only submit the Work Plan and Budget once, either as Section IV.B.9. or as part of the Work Plan/Budget evaluation criterion discussion. It is suggested that applicants submit two tables – one that outlines the work plan and another that outlines the budget. Applicants are advised that they should break down activities into detailed tasks rather than simply major project phases. An example of a project phase is a feasibility study. That phase should be further broken down into the tasks needed to complete the feasibility study. Applicants should also discuss each proposed task in narrative form as part of the work plan and explain the costs for the budget. Example tables are included below.

Task	Personnel	Time Period	Grant Funds	Matching Funds	Total Cost

	Budget Category 1		Budget Category 2		Budget Category 3		Total	
	Grant	Match	Grant	Match	Grant	Match	Grant	Match
Task 1								
Task 2								
Task 3								

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Performance Evaluation Criteria

The applicant must suggest criteria by which the project should be evaluated in the event that a grant is awarded. These suggested criteria are not binding on USDA. Please note that these criteria are different from the Proposal Evaluation Criteria and are a separate requirement. Failure to submit at least one performance criterion by the application deadline will result in a determination of incomplete and the proposal will not be considered for funding.

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Proposal Evaluation Criteria

Each of the proposal evaluation criteria referenced in this funding announcement must be addressed, specifically and individually, in narrative form. Failure to address the appropriate evaluation criteria (planning grant proposals must address planning grant evaluation criteria and working capital grant proposals must address working capital grant evaluation criteria) by the application deadline will result in a determination of incomplete and the proposal will not be considered for funding.

i. Nature of the proposed venture (0-25 points). Projects will be evaluated for technological feasibility, operational efficiency, profitability, sustainability and the likely improvement to the local rural economy. The discussion for this criterion must include the agricultural commodity to which value will be added, the process by which value will be added, and a description of the value-added product produced. If the applicant has the information available, the discussion for this criterion should include references to independent, third-party information that the applicant has reviewed, a discussion of similar projects, cost and availability of inputs, the type of market where the value-added product will be marketed (e.g. local, regional, national, international) and the potential number of customers, the cost of processing the commodity, how much value will be added to the raw commodity through the production of the value-added product, how the added value will be distributed among the producers, processors, and any other intermediaries, and any additional non-monetary value that could be obtained by end-users of the product. Points will be awarded based on the greatest expansion of markets and increased returns to producers. Applications that do not discuss a specific commodity, process, and value-added product will receive the minimum points allowed. Two teams of technical experts will be appointed to evaluate this criterion: a team of three independent reviewers and the servicing state office (see Section V.A.1.ii. for more details). The independent reviewers will evaluate this criterion from a national and/or regional perspective, and the servicing state office will evaluate this criterion from a state perspective.

ii. Qualifications of those doing work (0-10 points). Proposals will be reviewed for whether the personnel who are responsible for doing proposed tasks, including those hired to do the studies, have the necessary qualifications. If a consultant or others are to be hired, more points may be awarded if the proposal includes evidence of their availability and commitment as well. If staff or consultants have not been selected at the time of application, the application should include specific descriptions of the qualifications required for the positions to be filled. Also, rather than attaching resumes at the end of the application, it is preferred that the qualifications of the personnel and consultants are discussed directly within the response to this criterion. If resumes are included, they should be contained within the narrative section of the application within the response to this criterion. If resumes are attached at the end of the application, those pages will be counted toward the page limit for the narrative.

iii. Project leadership (0-10 points). The leadership abilities of individuals who are proposing the venture will be evaluated as to whether they are sufficient to support a conclusion of likely project success. Credit may be given for leadership evidenced in community or volunteer efforts. Also, rather than attaching resumes at the end of the application, it is preferred that the leadership abilities are discussed directly within the response to this criterion. If resumes are included, they should be contained within the narrative section of the application within the response to this

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criterion. If resumes are attached at the end of the application, those pages will be counted toward the page limit for the narrative.

iv. Commitments and support (0-10 points). Producer commitments will be evaluated on the basis of the number of Independent Producers currently involved as well as how many may potentially be involved, and the nature, level and quality of their contributions. End user commitments will be evaluated on the basis of potential markets and the potential amount of output to be purchased. Proposals will be reviewed for evidence that the project enjoys third party support and endorsement, with emphasis placed on financial and in kind support as well as technical assistance. **Letters of support should not be included with the application.** If they are submitted, they will not be considered for the purpose of evaluating this criterion. Also, letters demonstrating end-user commitments should not be submitted. If they are submitted, they will not be considered for the purpose of evaluating this criterion. The applicant should reference all support groups and commitments in the discussion of this criterion, and have the support letters and commitment letters available upon request. These support and commitment letters are not the same as the documentation required as part of the verification of matching funds requirement. All documentation needed to properly verify matching funds must be submitted with the application in a separate section.

v. Work plan/Budget (0-10 points). The work plan will be reviewed to determine whether it provides specific and detailed planning task descriptions that will accomplish the project's goals and the budget will be reviewed for a detailed breakdown of estimated costs associated with the planning activities. The budget must present a detailed breakdown of all estimated costs associated with the planning activities and allocate these costs among the listed tasks. Points may not be awarded unless sufficient detail is provided to determine whether or not funds are being used for qualified purposes. Matching funds as well as grant funds must be accounted for in the budget to receive points. Budgets that include more than 10% of total project costs that are ineligible will result in a determination of ineligible and the application will not be considered for funding. However, if an application with ineligible costs is selected for funding, all ineligible costs must be removed from the project and replaced with eligible activities or the amount of the grant award will be reduced accordingly. Logical, realistic, and economically efficient work plans and budgets will result in higher scores.

vi. Amount requested (0-1 points). One (1) point will be awarded for grant requests of \$50,000 or less. In addressing this criterion, the applicant should simply state the amount requested.

vii. Project cost per owner-producer (0-2 points). This is calculated by dividing the amount of Federal funds requested by the total number of producers that are owners of the venture. The allocation of points for this criterion shall be as follows: \$1-\$25,000 equals 2 points, \$25,001-\$50,000 equals 1 point, \$50,001-\$100,000 equals 0 points. The applicant must state the number of owner-producers that are part of the venture. For independent producers, farmer- and rancher-cooperatives, and majority-controlled producer-based business ventures, the applicant must state the number of owners of the venture that are independent producers and are also owners of the venture. An owner cannot be considered an independent producer unless he/she is a producer of the agricultural commodity to which value will be added as part of this project. For agricultural producer groups, the number used should be the number of producers represented who produce the commodity to which value will be added. In cases where family members (including husband

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and wife) are owners and producers in a venture, each family member shall count as one owner-producer.

Applications without enough information to determine the number of producer-owners will be determined to be incomplete and will not be considered for funding. Applicants must be prepared to prove that the numbers and individuals identified meet the requirements specified upon notification of a grant award. Failure to do so shall result in withdrawal of the grant award.

viii. Community and industry support (0-10 points). Applicants must submit a description of the local business associations, industry associations, and any political institutions that support their projects. **Letters of support should not be submitted, but a description of each letter of support should be included.** The description must include the following: the name of the supporting organization, the date of the letter of support, and the name of the person signing the letter. The applicant should also include a brief description of why the support of each group is valuable to the project. National Congressional support will not be considered for the purpose of evaluating this criterion. Applicants must be able to present a letter of support for each group listed at the time of award. Failure to demonstrate the support claimed in the application shall result in withdrawal of the grant award. Ventures that only demonstrate one type of support will not score as high for this criterion as ventures that demonstrate multiple types of support.

ix. Business size (10 points if the application meets the criterion or 0 points if the application does not meet the criterion). Applicants must demonstrate their amount of gross sales for their most recent complete fiscal year. Applicants that have less than \$100 million in gross sales will receive 10 points. Applicants that have \$100 million or more in gross sales will receive 0 points. For this criterion, applicants should simply state the amount of gross sales for their most recent fiscal year. If an applicant is tentatively selected for funding, the applicant will need to verify the gross sales amount at the time of award. Applicants that do not have a complete fiscal year should so state in their applications. Failure to verify the amount stated in the application will be grounds for withdrawing the award.

x. Number of grants (0 points if the application meets the criterion or -10 points if the application does not meet the criterion). Applicants must indicate whether they have received any previous grants under the VAPG program since its inception in 2001. Applicants who have already received a planning grant will receive -10 points. Applicants who have not received a planning grant will receive 0 points.

xi. Presidential initiative of bio-energy (0 points if application does not meet the criterion or 5 points if application does meet the criterion). Applicants must indicate whether they believe their project has a bio-energy component. Those applications that have at least 51% of project costs dedicated to planning activities for a bio-energy project will receive 5 points. Partial credit will not be given. Applicants should note that the energy must be produced primarily (i.e. more than 50 percent) for on-farm use, unless the energy produced qualifies as a value-added product in its own right (e.g. ethanol, bio-diesel). Also, the energy must be produced from a bio-based source. Examples of qualifying bio-energy projects include ethanol, bio-diesel, and energy produced from a manure digester. On-farm wind energy, on-farm solar energy, and on-farm hydro energy do not qualify for points under this criterion, even though they are eligible projects for this program. Bio-mass projects such as producing compost from manure and producing mulch from trees also do not qualify for points under this criterion, although they are eligible projects for this program.

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xii. Administrator points (up to 5 points, but not to exceed 10 percent of the total points awarded for the other 11 criteria). The Administrator of the Rural Business-Cooperative Service may award additional points to recognize innovative technologies, insure geographic distribution of grants, or encourage value-added projects in under-served areas. Applicants may submit an explanation of how the technology proposed is innovative and/or specific information verifying that the project is in an under-served area.

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Conflict of Interest Disclosure

If the applicant plans to conduct business with any family members, company owners, or other identities of interest using grant or matching funds, the nature of the business to be conducted and the nature of the relationship between the applicant and the identity of interest must be disclosed. Examples include in-kind matching funds donated by the applicant's immediate family and contracting with someone who has a financial interest in the venture for services paid by grant or matching funds.

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Certification of Judgment or Debt Owed to the United States.

Applicants must certify that they are not delinquent on a debt owed to the United States and that the United States has not obtained a judgment against them. No grant funds shall be used to pay a judgment or delinquent debt owed to the United States. Example language is included below.

ABC Corporation certifies that it is not delinquent on a debt owed to the United States and that the United States has not obtained a judgment against it.

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Verification of Matching Funds.

Applicants must provide a budget to support the work plan showing all sources and uses of funds during the project period. Applicants will be required to verify matching funds, both cash and in-kind. **All proposed matching funds must be specifically documented in the application.**

If matching funds are to be provided **by the applicant in cash**, a copy of a bank statement with an ending date within 30 days of the application deadline is required. The bank statement must show an ending balance equal to or greater than the amount of cash matching funds proposed. If the matching funds will be provided through a loan or line of credit, the applicant must include a statement from the lending institution verifying the amount available, the time period of availability of the funds, and the purposes for which funds may be used.

If the matching funds are to be provided **by an in-kind contribution from the applicant**, the application must include a signed letter from an authorized representative of the applicant verifying the goods or services to be donated, when the goods and services will be donated, and the value of the goods or services. Applicants should note that only goods or services for which no expenditure is made can be considered in-kind. If the applicant is paying for goods and services as part of the matching funds contribution, the expenditure is considered a cash match, and should be verified as such.

If the matching funds are to be provided **by a third party in cash**, the application must include a signed letter from that third party verifying how much cash will be donated and when it will be donated. Verification for funds donated outside the proposed time period of the grant will not be accepted.

If the matching funds are to be provided **by a third party in-kind donation**, the application must include a signed letter from the third party verifying the goods or services to be donated, when the goods and services will be donated, and the value of the goods or services. Verification for in-kind contributions donated outside the proposed time period of the grant will not be accepted. Verification for in-kind contributions that are over-valued will not be accepted. The valuation process for the in-kind funds does not need to be included in the application, especially if it is lengthy, but the applicant must be able to demonstrate how the valuation was achieved at the time of notification of tentative selection for the grant award. If the applicant cannot satisfactorily demonstrate how the valuation was determined, the grant award may be withdrawn or the amount of the grant may be reduced.

If matching funds are in cash, they must be spent on goods and services that are eligible expenditures for this grant program. If matching funds are in-kind contributions, the donated goods or services must be considered eligible expenditures for this grant program. The matching funds must be spent or donated during the grant period and the funds must be expended at a rate equal to or greater than the rate grant funds are expended. Some examples of acceptable uses for matching funds are: skilled labor performing work required for the proposed project, office supplies, and purchasing inventory. Some examples of unacceptable uses of matching funds are: land, fixed equipment, buildings, and vehicles.

Expected program income may not be used to fulfill the matching funds requirement at the time of application. If program income is earned during the time period of the grant, it may be used to

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replace other sources of matching funds if prior approval is received from the Agency. Any program income earned during the grant period is subject to the requirements of 7 CFR 3019.24.

If acceptable verification for all proposed matching funds is missing from the application by the application deadline, the application will be determined to be incomplete and will not be considered for funding.

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Certification of Matching Funds.

Applicants must certify that matching funds will be available at the same time grant funds are anticipated to be spent and that matching funds will be spent in advance of grant funding, such that for every dollar of grant funds advanced, not less than an equal amount of matching funds will have been expended prior to submitting the request for reimbursement. Please note that this certification is a separate requirement from the Verification of Matching Funds requirement.

Applicants should include a statement for this section that reads as follows: “[INSERT NAME OF APPLICANT] certifies that matching funds will be available at the same time grant funds are anticipated to be spent and that matching funds will be spent in advance of grant funding, such that for every dollar of grant funds advanced, not less than an equal amount of matching funds will have been expended prior to submitting the request for reimbursement.” A separate signature is not required. Example language is included below.

ABC Corporation certifies that matching funds will be available at the same time grant funds are anticipated to be spent and that matching funds will be spent in advance of grant funding, such that for every dollar of grant funds advanced, not less than an equal amount of matching funds will have been expended prior to submitting the request for reimbursement.

Appendix E – Working Capital Application Outline

This appendix provides a suggested, not required, format for a 2005 VAPG working capital grant application. Each required element is listed with the relevant text from the NOSA. Many of the elements also include sample language and/or tables.

Please note: **You MUST read the NOSA and the program regulation, 7 CFR part 4284, subparts A and J in order to obtain a comprehensive list of program requirements.** Simply following the sample format does not guarantee that your application will be determined to be eligible and complete, or that it will be funded. If you have questions during the application process, please contact your state representative listed in Section 1.4 of this Guide.

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APPLICATION FOR FEDERAL ASSISTANCE		Version 7/03	
1. TYPE OF SUBMISSION: Application <input type="checkbox"/> Construction <input checked="" type="checkbox"/> Non-Construction		2. DATE SUBMITTED February 24, 2005	Applicant Identifier
		3. DATE RECEIVED BY STATE	State Application Identifier
		4. DATE RECEIVED BY FEDERAL AGENCY	Federal Identifier
5. APPLICANT INFORMATION			
Legal Name: ABC Corporation		Organizational Unit: Department:	
Organizational DUNS: 000000000		Division:	
Address: Street: 1400 Independence Ave. SW		Name and telephone number of person to be contacted on matters involving this application (give area code)	
City: Washington		Prefix: Ms.	First Name: Gail
County: N/A		Middle Name J.	
State: DC	Zip Code 20250	Last Name Thuner	
Country: USA		Suffix:	
6. EMPLOYER IDENTIFICATION NUMBER (EIN): 00-00000000		Email: gail.thuner@usda.gov	Phone Number (give area code) (202) 720-7558
		Fax Number (give area code) (202) 720-4641	
8. TYPE OF APPLICATION: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es) (See back of form for description of letters.)		7. TYPE OF APPLICANT: (See back of form for Application Types) M Other (specify)	
10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: TITLE (Name of Program):		9. NAME OF FEDERAL AGENCY: Rural Business-Cooperative Service	
12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.): Northern Virginia, Maryland		11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT: Marketing Crabs Processed into Sandwich Spread	
13. PROPOSED PROJECT Start Date: 01/01/2006		14. CONGRESSIONAL DISTRICTS OF: a. Applicant N/A	
15. ESTIMATED FUNDING:		16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?	
a. Federal	\$ 100,000.00	a. Yes. <input type="checkbox"/> THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON	
b. Applicant	\$ 50,000.00	DATE:	
c. State	\$ 15,000.00	b. No. <input type="checkbox"/> PROGRAM IS NOT COVERED BY E. O. 12372	
d. Local	\$ 35,000.00	<input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW	
e. Other	\$ 200,000.00	17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?	
f. Program Income	\$	<input type="checkbox"/> Yes If "Yes" attach an explanation. <input checked="" type="checkbox"/> No	
g. TOTAL	\$ 200,000.00		
18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.			
a. Authorized Representative			
Prefix Ms.	First Name Gail	Middle Name J.	
Last Name Thuner		Suffix:	
b. Title General Manager		c. Telephone Number (give area code) (202) 720-7558	
d. Signature of Authorized Representative		e. Date Signed 2/24/2005	

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OMB Approval No. 0348-0044

BUDGET INFORMATION - Non-Construction Programs

SECTION A - BUDGET SUMMARY						
Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1. VAPG	10.352	\$	\$	\$	\$ 100,000.00	\$ 200,000.00
2.						0.00
3.						0.00
4.						0.00
5. Totals		\$	\$ 0.00	\$	\$ 100,000.00	\$ 200,000.00
SECTION B - BUDGET CATEGORIES						
6. Object Class Categories	(1)	GRANT PROGRAM, FUNCTION OR ACTIVITY				Total (5)
		VAPG (2)	(3)	(4)	(5)	
a. Personnel	\$	100,000.00	\$	\$	\$	100,000.00
b. Fringe Benefits		17,000.00				17,000.00
c. Travel		10,000.00				10,000.00
d. Equipment						0.00
e. Supplies		4,600.00				4,600.00
f. Contractual		34,000.00				34,000.00
g. Construction						0.00
h. Other		34,400.00				34,400.00
i. Total Direct Charges (sum of 6a-6h)		200,000.00	0.00	0.00	0.00	200,000.00
j. Indirect Charges						0.00
k. TOTALS (sum of 6i and 6j)	\$	200,000.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 200,000.00
7. Program Income	\$		\$	\$	\$	0.00

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SECTION C - NON-FEDERAL RESOURCES						
(a) Grant Program	(b) Applicant	(c) State	(d) Other Sources	(e) TOTALS		
8. VAPG	\$ 50,000.00	\$ 15,000.00	\$ 35,000.00	\$ 100,000.00		
9.				0.00		
10.				0.00		
11.				0.00		
12. TOTAL (sum of lines 8-11)	\$ 50,000.00	\$ 15,000.00	\$ 35,000.00	\$ 100,000.00		
SECTION D - FORECASTED CASH NEEDS						
	Total for 1st Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	
13. Federal	\$ 100,000.00	\$ 12,500.00	\$ 25,000.00	\$ 37,500.00	\$ 25,000.00	
14. Non-Federal	100,000.00	12,500.00	25,000.00	37,500.00	25,000.00	
15. TOTAL (sum of lines 13 and 14)	\$ 200,000.00	\$ 25,000.00	\$ 50,000.00	\$ 75,000.00	\$ 50,000.00	
SECTION E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT						
(a) Grant Program	FUTURE FUNDING PERIODS (Years)					
	(b) First	(c) Second	(d) Third	(e) Fourth		
16. VAPG	\$	\$	\$	\$		
17.						
18.						
19.						
20. TOTAL (sum of lines 16-19)	\$	0.00	0.00	0.00	0.00	0.00
SECTION F - OTHER BUDGET INFORMATION						
21. Direct Charges:	22. Indirect Charges:					
23. Remarks:						

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ASSURANCES - NON-CONSTRUCTION PROGRAMS

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0040), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.
7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
8. Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

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9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction subagreements.
10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL		TITLE	
		General Manager	
APPLICANT ORGANIZATION		DATE SUBMITTED	
ABC Corporation		March 2, 2005	

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Title Page

The Title Page should include the title of the project as well as any other relevant identifying information. The length **should not exceed one page**. Example language is below.

“Marketing Crabs Processed into Sandwich Spread”

A 2005 Value-Added Producer Grant Application

Submitted by:

ABC Corporation
1400 Independence Avenue SW
Washington, DC 20250

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Table of Contents

For ease of locating information, each proposal must contain a detailed Table of Contents (TOC) immediately following the Title Page. The TOC should include page numbers for each component of the proposal. Pagination should begin immediately following the TOC. In order for this element to be considered complete, the TOC should include page numbers for the Executive Summary, an Eligibility Discussion, the Proposal Narrative and its subcomponents (Project Title, Information Sheet, Goals of the Project, Work Plan, Performance Evaluation Criteria and Proposal Evaluation Criteria), Verification of Matching Funds and Certification of Matching Funds. It is recommended that the applicant start its application with the required forms and number those forms beginning with the Roman numeral “i.” The Title Page and Table of Contents should also be numbered with small Roman numerals. The Executive Summary should be page number 1. Example language is included below.

Table of Contents

<u>Element</u>	<u>Page</u>
SF-424	p.#
SF-424A	p.#
SF-424B	p.#
Survey on Ensuring Equal Opportunity for Applicants (if submitted)	p.#
Executive Summary	p.#
Eligibility Discussion	p.#
Proposal Narrative	p.#
Project Title	p.#
Information Sheet	p.#
Goals of the Project	p.#
Work Plan	p.#
Pro Forma Financial Statements	p.#
Performance Evaluation Criteria	p.#
Proposal Evaluation Criteria	p.#
Business Viability	p.#
Customer Base/Increased Returns	p.#
Commitments and Support	p.#
Management Team/Work Force	p.#
Work Plan/Budget	p.#
Amount Requested	p.#
Project Cost per Owner/Producer	p.#
Community and Industry Support	p.#
Business Size	p.#

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Table of Contents (cont.)

<u>Element</u>	<u>Page</u>
Number of Grants	p.#
Presidential Initiative of Bio-Energy	p.#
Administrator Points	p.#
Conflict of Interest Disclosure	p.#
Certification of Judgment or Debt	p.#
Verification of Matching Funds	p.#
Certification of Matching Funds	p.#

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Executive Summary

A summary of the proposal, **not to exceed one page**, should briefly describe the project, including goals, tasks to be completed and other relevant information that provides a general overview of the project. In this section the applicant must clearly state whether the proposal is for a planning grant or a working capital grant and the amount requested. In the event an applicant submits more than one page for this element, only the first page submitted will be considered.

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Eligibility Discussion

A detailed discussion, **not to exceed four pages**, describing how the applicant, project, and purpose meet the eligibility requirements. In the event that more than four pages are submitted, only the first four pages will be considered.

Applicant Eligibility

The applicant must first describe how it meets the definition of an independent producer, agricultural producer group, farmer or rancher cooperative, or a majority-controlled producer-based business venture as defined in the “Definitions” section of this funding announcement. The applicant must apply as only one type of applicant.

1. If the applicant is an independent producer, the proposal must demonstrate that the owners of the business applying own and produce more than 50 percent of the raw commodity that will be used for the value-added product. The applicant must also demonstrate that the product is owned by the producers from its raw commodity state through the production of the value-added product.

2. If the applicant is an agricultural producer group, it must identify the independent producers on whose behalf the work will be done. These producers must own and produce the commodity to which value will be added. Note that applicants tentatively selected for a grant award must verify that the work will be done on behalf of the Independent Producers identified in the application.

3. If the applicant is a farmer or rancher cooperative, the applicant must reference the business' standing as a cooperative in its state of incorporation. The applicant must also explain how the cooperative is 100 percent owned and controlled by Independent Producers. If a cooperative is not 100 percent owned and controlled by Independent Producers, it may still be eligible to apply as a Majority-Controlled Producer-Based Business Venture, provided it meets the definition in Section I. If the applicant is applying on behalf of only a portion of its membership, that portion must be identified. Note that applicants tentatively selected for a grant award must verify that the work will be done on behalf of the Independent Producers identified in the application.

4. If the applicant is a majority-controlled producer-based business venture, the proposal must state the percentage of the venture owned by independent producers, or partnerships, LLCs, LLPs, corporations or cooperatives that are themselves 100 percent owned and controlled by Independent Producers (eligible producers). The percentage must be calculated by dividing the ownership interest of the eligible producers by the ownership interest of all owners. These eligible producers must own and produce the commodity to which value will be added. The applicant must also demonstrate that eligible producers have majority control over the business. Majority control must be demonstrated through voting rights on the governing body of the business venture. The majority of voting rights must belong to eligible producers who own and produce the commodity to which value will be added.

5. In addition, the applicant must describe all organizations that are involved in the project.

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Product Eligibility

The applicant must next describe how the value-added product to be produced meets the definition of “Value-Added” as defined in the “Definitions” section of this funding announcement.

1. If the product meets the first definition, the application must explain the change in physical state or form of the product.
2. If the product meets the second definition, the proposal must explain how the production or marketing of the commodity enhances the value-added product's value. The enhancement of value should be quantified by using a comparison with value-added products produced or marketed in the standard manner. Also, a business plan that has been developed for the applicant for the project must be referenced.
3. If the product meets the third definition, the proposal must explain how the physical segregation of a commodity or product enhances its value. The enhancement of value should be quantified, if possible, by using a comparison with commodities marketed without segregation.
4. If the product meets the fourth definition, the proposal must explain how the renewable energy will be generated on a farm or ranch.

Activity Eligibility

Finally, the applicant must describe how the project purpose is eligible for funding. The project purpose is comprised of two components. First, the project activities must be planning activities. Second, the activities must be directly related to the processing and/or marketing of a value-added product. Agricultural production activities are not eligible for funding.

1. If the grant request is for working capital, planning activities are not eligible for funding. If more than 20 percent of the total project cost (both grant and matching funds) for a working capital application is for planning activities, the entire application will be determined to be ineligible and will not be considered for funding. If 20 percent or less of the total project cost for a working capital application is for planning activities, the application may still be considered for funding, but any subsequent award will only be for eligible project expenses.
2. If the applicant has already received a planning grant for a project, it is only eligible to apply for a working capital grant. If an applicant has already received a working capital grant for a project, it is not eligible to apply for any further grants for that project. An applicant may not receive more than one grant in any one funding cycle. An applicant may submit multiple applications, but if more than one application scores high enough to be funded, only the highest ranked application will be funded.

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Proposal Narrative

The narrative, **not to exceed 35 pages** (Times New Roman, 12 point font, 1 inch margins) must include the following information. In the event that more than 35 pages are submitted, only the first 35 pages submitted will be considered.

Project Title

The title of the proposed project must be brief, **not to exceed 75 characters**, yet describe the essentials of the project. It should match the project title submitted on the SF-424. The Project Title does not need to appear on a separate page. It can be included on the Title Page and/or on the Information Sheet.

Information Sheet

A separate **one page** information sheet listing each of the evaluation criteria referenced in this funding announcement followed by the page numbers of all relevant material contained in the proposal that address or support each criterion. Example language is included below.

Information Sheet

<u>Criterion</u>	<u>Page</u>
Business Viability	p.#
Customer Base/Increased Returns	p.#
Commitments and Support	p.#
Management Team/Work Force	p.#
Work Plan/Budget	p.#
Amount Requested	p.#
Project Cost per Owner/Producer	p.#
Community and Industry Support	p.#
Business Size	p.#
Number of Grants	p.#
Presidential Initiative of Bio-Energy	p.#
Administrator Points	p.#

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Goals of the Project

A clear statement of the ultimate goals of the project. There must be an explanation of how a market will be expanded and the degree to which incremental revenue will accrue to the benefit of the agricultural producer(s).

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Work Plan

The narrative must contain a description of the project and set forth the tasks involved in reasonable detail. The description should specify the activity, who will perform the activity, during what time frame the activity will take place, and the cost of the activity. Please note that one of the Proposal Evaluation Criteria evaluates the Work Plan and Budget. Applicants should only submit the Work Plan and Budget once, either as Section IV.B.9. or as part of the Work Plan/Budget evaluation criterion discussion. It is suggested that applicants submit two tables – one that outlines the work plan and another that outlines the budget. Applicants are advised that they should break down activities into detailed tasks rather than simply major project phases. An example of a project phase is a feasibility study. That phase should be further broken down into the tasks needed to complete the feasibility study. Applicants should also discuss each proposed task in narrative form as part of the work plan and explain the costs for the budget. Example tables are included below.

Task	Personnel	Time Period	Grant Funds	Matching Funds	Total Cost

	Budget Category 1		Budget Category 2		Budget Category 3		Total	
	Grant	Match	Grant	Match	Grant	Match	Grant	Match
Task 1								
Task 2								
Task 3								

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Pro Forma Financial Statements

Working capital applications must also include three (3) years of pro forma financial statements, including an explanation of all assumptions, such as input prices, finished product prices, and other economic factors used to generate the financial statements. The financial statements must include cash flow statements, income statements, and balance sheets. Income statements and cash flow statements must be monthly for the first year, then annual for the next two years. The balance sheet should be annual for all three years. The financial statements will not count as part of the 35 page limit for the narrative section of the proposal. Example formats for the statements follow.

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Sample Year 1 Cash Flow Statement

Pro forma cash flow, Year 1

Item	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
CASH RECEIPTS													
Sales													
Paid-in capital													
Borrowed capital													
Total receipts													
CASH DISBURSEMENTS													
Raw product payments													
Fixed asset purchases													
Salaries													
Operating expenses /1													
Misc.													
Loan repayment													
Total disbursements													
Net mo. cash flow													
Beginning balance													
Line of credit- Used													
Line of credit-Paid													
Ending cash balance													

/1 Specify by item

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Sample Years 2 and 3 Cash Flow Statement

Pro forma cash flow, Years 2 and 3

Item	Year 2	Year 3
CASH RECEIPTS		
Sales		
Paid-in capital		
Borrowed capital		
Total receipts		
CASH DISBURSEMENTS		
Raw product payments		
Fixed asset purchases		
Salaries		
Operating expenses /1		
Misc.		
Loan repayment		
Total disbursements		
Net mo. cash flow		
Beginning balance		
Line of credit- Used		
Line of credit-Paid		
Ending cash balance		

/1 Specify by item

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Sample Income Statement, Year 1

Pro forma income statement
Year 1

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Tot
INCOME													
Sales													
Less: Cost of goods sold													
Gross Margin													
OPERATING EXPENSES													
Manager													
Other operating expenses /1													
Depreciation/amortization													
Interest - asset loans													
Interest - line of credit													
Total Expenses													
NET INCOME BEFORE INCOME TAXES													
INCOME TAXES													
NET INCOME AFTER TAXES													

/1 Specify by item

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Sample Income Statement, Years 2 and 3

Pro forma income statement, Years 2 and 3

	Year 2	Year 3
INCOME		
Sales		
Less: Cost of goods sold		
Gross Margin		
OPERATING EXPENSES		
Manager		
Other operating expenses /1		
Depreciation/amortization		
Interest - asset loans		
Interest - line of credit		
Total Expenses		
NET INCOME BEFORE INCOME TAXES		
INCOME TAXES		
NET INCOME AFTER TAXES		

/1 Specify by item

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Sample Balance Sheet, Years 1-3

Pro forma balance sheet, Years 1 through 3

Item	Year 1	Year 2	Year 3
ASSETS			
CURRENT ASSETS			
Cash			
Accounts receivable			
Inventory			
Total Current Assets			
FIXED ASSETS			
Land, buildings, equipment			
Less: Accumulated depreciation			
Net fixed assets			
TOTAL ASSETS			
LIABILITIES & EQUITY			
CURRENT LIABILITIES			
Accounts payables			
Accrued taxes			
Accrued expenses			
Interest payable			
Long-term loans: current portion			
Operating loan payable			
Total current liabilities			
LONG-TERM LIABILITIES			
Long-term loans: long-term portion			
TOTAL LIABILITIES			
EQUITY			
Paid-in capital			
Retained earnings			
TOTAL EQUITY			
TOTAL LIABILITIES & EQUITY			

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Performance Evaluation Criteria

The applicant must suggest criteria by which the project should be evaluated in the event that a grant is awarded. These suggested criteria are not binding on USDA. Please note that these criteria are different from the Proposal Evaluation Criteria and are a separate requirement. Failure to submit at least one performance criterion by the application deadline will result in a determination of incomplete and the proposal will not be considered for funding.

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Proposal Evaluation Criteria

Each of the proposal evaluation criteria referenced in this funding announcement must be addressed, specifically and individually, in narrative form. Failure to address the appropriate evaluation criteria (planning grant proposals must address planning grant evaluation criteria and working capital grant proposals must address working capital grant evaluation criteria) by the application deadline will result in a determination of incomplete and the proposal will not be considered for funding.

i. Business viability (0-25 points). Proposals will be evaluated on the basis of the technical and economic feasibility and sustainability of the venture and the efficiency of operations. The discussion for this criterion must include the agricultural commodity to which value will be added, the process by which value will be added, and a description of the value-added product produced. The application should also include references to independent, third-party information that the applicant has reviewed, a discussion of similar projects, cost and availability of inputs, the type of market where the value-added product will be marketed (e.g. local, regional, national, international) and the potential number of customers, the cost of processing the commodity, how much value will be added to the raw commodity through the production of the value-added product, how the added value will be distributed among the producers, processors, and any other intermediaries, and any additional non-monetary value that could be obtained by end-users of the product. The application must also reference the feasibility study and business plan that has been developed for the project. The feasibility study must have been completed by an independent third party. The business plan may have been completed by the applicant, but should have included third party consultation in its development. The applicant should also discuss the financial statements submitted to assist in the demonstration of economic feasibility and sustainability. Points will be awarded based on how well the project is described, the feasibility of the project, the greatest expansion of markets, and increased returns to producers. Applications that do not discuss a specific commodity, process, and value-added product will receive the minimum points allowed. Failure to reference both a third-party feasibility study and a business plan by the application deadline will result in a determination that the application is incomplete and it will not be considered for funding.

Applicants are reminded that they must produce the feasibility study and business plan referenced at the time of notification of grant award. Failure to produce both documents will result in withdrawal of the grant award. Also, the feasibility study and business plan are subject to Agency approval. If the feasibility study and business plan do not meet the Agency's approval, the grant award will be withdrawn.

Two teams of technical experts will be appointed to evaluate this criterion: a team of three independent reviewers and the servicing state office (see Section V.A.1.ii. for more details). The independent reviewers will evaluate this criterion from a national and/or regional perspective, and the servicing state office will evaluate this criterion from a state perspective.

ii. Customer base/increased returns (0-10 points). Proposals that demonstrate strong growth in a market or customer base and greater Value-Added revenue accruing to producer-owners will receive more points than those that demonstrate less growth in markets and realized Value-Added returns. Describe in detail how the customer base for the product being produced will expand because of the value-added venture. Provide documented estimates of this expansion. Describe in detail how a greater portion of the revenue derived from the venture will be returned to the producers that are owners of the venture. Applicants should also reference the financial

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statements submitted. More points will be awarded to those applications that demonstrate the greatest expansion of the customer base and increased returns to producers.

iii. Commitments and support (0-10 points). Producer commitments will be evaluated on the basis of the number of Independent Producers currently involved as well as how many may potentially be involved, and the nature and level and quality of their contributions. End user commitments will be evaluated on the basis of identified markets, letters of intent or contracts from potential buyers and the amount of output to be purchased. Proposals will be reviewed for evidence that the project enjoys third party support and endorsement, with emphasis placed on financial and in-kind support as well as technical assistance. **Do not submit specific contracts, letters of intent, or other supporting documents at this time.** However, be sure to cite their existence when addressing this criterion. These documents will be requested at the time of grant award. Failure to produce them shall result in the withdrawal of the grant award. Points will be awarded based on the greatest level of documented commitment.

iv. Management team/work force (0-10 points). The education and capabilities of project managers and those who will operate the venture must reflect the skills and experience necessary to effect project success. The availability and quality of the labor force needed to operate the venture will also be evaluated. Applicants must provide the information necessary to make these determinations. Proposals that reflect successful track records managing similar projects will receive higher points for this criterion than those that do not reflect successful track records.

v. Work plan/Budget (0-10 points). The work plan will be reviewed to determine whether it provides specific and detailed task descriptions that will accomplish the project's goals and the budget will be reviewed for a detailed breakdown of estimated costs associated with the proposed activities. The budget must present a detailed breakdown of all estimated costs associated with the venture's operations and allocate these costs among the listed tasks. Points may not be awarded unless sufficient detail is provided to determine whether or not funds are being used for qualified purposes. Matching funds as well as grant funds must be accounted for in the budget to receive points. Budgets that include more than 10% of total project costs that are ineligible will result in a determination of ineligible and the application will not be considered for funding. However, if an application with ineligible costs is selected for funding, all ineligible costs must be removed from the project and replaced with eligible activities or the amount of the grant award will be reduced accordingly. Applications without a work plan and detailed budget submitted by the application deadline will be determined to be incomplete and will not be considered for funding. Logical, realistic, and economically efficient work plans and budgets will result in higher scores.

vi. Amount requested (0-1 points). One (1) point will be awarded for grant requests of \$75,000 or less. In addressing this criterion, the applicant should simply state the amount requested.

vii. Project cost per owner-producer (0-2 points). This ratio is calculated by dividing the amount of VAPG funds requested by the total number of producers that are owners of the venture. The allocation of points for this criterion shall be as follows: \$1-\$50,000 equals 2 points, \$50,001-\$100,000 equals 1 point, and \$100,001-\$150,000 equals 0 points. The applicant must state the number of owner-producers that are part of the venture. For independent producers, farmer- and rancher-cooperatives, and majority-controlled producer-based business ventures, the applicant must state the number of owners of the venture that are independent producers and are also

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owners of the venture. An owner cannot be considered an independent producer unless he/she is a producer of the agricultural commodity to which value will be added as part of this project. For agricultural producer groups, the number used should be the number of producers represented who produce the commodity to which value will be added. In cases where family members (including husband and wife) are owners and producers in a venture, each family member shall count as one owner-producer. Applications without enough information to determine the number of producer-owners will be determined to be incomplete and will not be considered for funding. Applicants must be prepared to prove that the numbers and individuals identified meet the requirements specified upon notification of a grant award. Failure to do so shall result in withdrawal of the grant award.

viii. Community and industry support (0-10 points). Applicants must submit a description of the local business associations, industry associations, and any political institutions that support their projects. **Letters of support should not be submitted, but a description of each letter of support should be included.** The description must include the following: the name of the supporting organization, the date of the letter of support, and the name of the person signing the letter. The applicant should also include a brief description of why the support of each group is valuable to the project. National Congressional support will not be considered for the purpose of evaluating this criterion. Applicants must be able to present a letter of support for each group listed at the time of award. Failure to demonstrate the support claimed in the application shall result in withdrawal of the grant award. Ventures that only demonstrate one type of support will not score as high for this criterion as ventures that demonstrate multiple types of support.

ix. Business size (10 points if the application meets the criterion or 0 points if the application does not meet the criterion). Applicants must demonstrate their amount of gross sales for their most recent complete fiscal year. Applicants that have less than \$100 million in gross sales will receive 10 points. Applicants that have \$100 million or more in gross sales will receive 0 points. For this criterion, applicants should simply state the amount of gross sales for their most recent fiscal year. If an applicant is tentatively selected for funding, the applicant will need to verify the gross sales amount at the time of award. Applicants that do not have a complete fiscal year should state so in their applications. Failure to verify the amount stated in the application will be grounds for withdrawing the award.

x. Number of grants (0 points if the application meets the criterion or -10 points if the application does not meet the criterion). Applicants must indicate whether they have received any previous grants under the VAPG program since its inception in 2001. Applicants who have already received a working capital grant will receive -10 points. Applicants who have not received a working capital grant will receive 0 points.

xi. Presidential initiative of bio-energy (0 points if application does not meet the criterion or 5 points if application does meet the criterion). Applicants must indicate whether they believe their project has a bio-energy component. Those applications that have at least 51% of project costs dedicated to working capital for a bio-energy project will receive 5 points. Partial credit will not be given. Applicants should note that the energy must be produced primarily (i.e. more than 50 percent) for on-farm use, unless the energy produced qualifies as a value-added product in its own right (e.g. ethanol, bio-diesel). Also, the energy must be produced from a bio-based source. Examples of qualifying bio-energy projects include ethanol, bio-diesel, and energy produced from a manure digester. On-farm wind energy, on-farm solar energy, and on-farm hydro energy

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do not qualify for points under this criterion, even though they are eligible projects for this program. Bio-mass projects such as producing compost from manure and producing mulch from trees also do not qualify for points under this criterion, although they are eligible projects for this program.

xii. Administrator points (up to 5 points, but not to exceed 10 percent of the total points awarded for the other 11 criteria). The Administrator of RBS may award additional points to recognize innovative technologies, insure geographic distribution of grants, or encourage value-added projects in under-served areas. Applicants may submit an explanation of how the technology proposed is innovative and/or specific information verifying that the project is in an under-served area.

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Conflict of Interest Disclosure

If the applicant plans to conduct business with any family members, company owners, or other identities of interest using grant or matching funds, the nature of the business to be conducted and the nature of the relationship between the applicant and the identity of interest must be disclosed. Examples include in-kind matching funds donated by the applicant's immediate family and contracting with someone who has a financial interest in the venture for services paid by grant or matching funds.

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Certification of Judgment or Debt Owed to the United States.

Applicants must certify that they are not delinquent on a debt owed to the United States and that the United States has not obtained a judgment against them. No grant funds shall be used to pay a judgment or delinquent debt owed to the United States. Example language is included below.

ABC Corporation certifies that it is not delinquent on a debt owed to the United States and that the United States has not obtained a judgment against it.

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Verification of Matching Funds.

Applicants must provide a budget to support the work plan showing all sources and uses of funds during the project period. Applicants will be required to verify matching funds, both cash and in-kind. **All proposed matching funds must be specifically documented in the application.**

If matching funds are to be provided **by the applicant in cash**, a copy of a bank statement with an ending date within 30 days of the application deadline is required. The bank statement must show an ending balance equal to or greater than the amount of cash matching funds proposed. If the matching funds will be provided through a loan or line of credit, the applicant must include a statement from the lending institution verifying the amount available, the time period of availability of the funds, and the purposes for which funds may be used.

If the matching funds are to be provided **by an in-kind contribution from the applicant**, the application must include a signed letter from an authorized representative of the applicant verifying the goods or services to be donated, when the goods and services will be donated, and the value of the goods or services. Applicants should note that only goods or services for which no expenditure is made can be considered in-kind. If the applicant is paying for goods and services as part of the matching funds contribution, the expenditure is considered a cash match, and should be verified as such.

If the matching funds are to be provided **by a third party in cash**, the application must include a signed letter from that third party verifying how much cash will be donated and when it will be donated. Verification for funds donated outside the proposed time period of the grant will not be accepted.

If the matching funds are to be provided **by a third party in-kind donation**, the application must include a signed letter from the third party verifying the goods or services to be donated, when the goods and services will be donated, and the value of the goods or services. Verification for in-kind contributions donated outside the proposed time period of the grant will not be accepted. Verification for in-kind contributions that are over-valued will not be accepted. The valuation process for the in-kind funds does not need to be included in the application, especially if it is lengthy, but the applicant must be able to demonstrate how the valuation was achieved at the time of notification of tentative selection for the grant award. If the applicant cannot satisfactorily demonstrate how the valuation was determined, the grant award may be withdrawn or the amount of the grant may be reduced.

If matching funds are in cash, they must be spent on goods and services that are eligible expenditures for this grant program. If matching funds are in-kind contributions, the donated goods or services must be considered eligible expenditures for this grant program. The matching funds must be spent or donated during the grant period and the funds must be expended at a rate equal to or greater than the rate grant funds are expended. Some examples of acceptable uses for matching funds are: skilled labor performing work required for the proposed project, office supplies, and purchasing inventory. Some examples of unacceptable uses of matching funds are: land, fixed equipment, buildings, and vehicles.

Expected program income may not be used to fulfill the matching funds requirement at the time of application. If program income is earned during the time period of the grant, it may be used to

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replace other sources of matching funds if prior approval is received from the Agency. Any program income earned during the grant period is subject to the requirements of 7 CFR 3019.24.

If acceptable verification for all proposed matching funds is missing from the application by the application deadline, the application will be determined to be incomplete and will not be considered for funding.

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Certification of Matching Funds.

Applicants must certify that matching funds will be available at the same time grant funds are anticipated to be spent and that matching funds will be spent in advance of grant funding, such that for every dollar of grant funds advanced, not less than an equal amount of matching funds will have been expended prior to submitting the request for reimbursement. Please note that this certification is a separate requirement from the Verification of Matching Funds requirement.

Applicants should include a statement for this section that reads as follows: “[INSERT NAME OF APPLICANT] certifies that matching funds will be available at the same time grant funds are anticipated to be spent and that matching funds will be spent in advance of grant funding, such that for every dollar of grant funds advanced, not less than an equal amount of matching funds will have been expended prior to submitting the request for reimbursement.” A separate signature is not required.

ABC Corporation certifies that matching funds will be available at the same time grant funds are anticipated to be spent and that matching funds will be spent in advance of grant funding, such that for every dollar of grant funds advanced, not less than an equal amount of matching funds will have been expended prior to submitting the request for reimbursement.